

WORKFORCE SAFETY & INSURANCE
INVESTMENT PERFORMANCE REPORT AS OF MARCH 31, 2004

| | March-04 | | | | | December-03 | | | | September-03 | | | | Current | Prior Year | 3 Years | 5 Years |
|---|----------------------|---------------|---------------|---------------|---------------|----------------------|---------------|---------------|---------------|--------------------|---------------|---------------|---------------|---------------|----------------|----------------|---------------|
| | Market Value | Allocation | Quarter | Month | | Market Value | Allocation | Quarter | | Market Value | Allocation | Quarter | | FYTD | FY03 | Ended | Ended |
| | | Actual | Policy | Net ROR | Net ROR | | | | | | | | | Net | Net | 6/30/2003 | 6/30/2003 |
| | | | | | | | | | | | | | | | | Net | Net |
| LARGE CAP DOMESTIC EQUITY | | | | | | | | | | | | | | | | | |
| <i>Structured Growth</i> | | | | | | | | | | | | | | | | | |
| Los Angeles Capital | 20,257,067 | 1.9% | 1.8% | -0.34% | -1.86% | 20,392,103 | 1.9% | 1.8% | 9.12% | 18,769,212 | 1.9% | 1.8% | N/A | N/A | N/A | N/A | N/A |
| AllianceBernstein | 1 | 0.0% | 0.0% | N/A | N/A | - | 0.0% | 0.0% | N/A | - | 0.0% | 0.0% | N/A | N/A | -1.88% | -21.24% | -6.07% |
| Total Structured Growth | 20,257,068 | 1.9% | 1.8% | -0.34% | -1.86% | 20,392,103 | 1.9% | 1.8% | 9.12% | 18,769,212 | 1.9% | 1.8% | 4.99% | 14.17% | -1.88% | -21.24% | -6.07% |
| Russell 1000 Growth | | | | 0.79% | -1.86% | | | | 10.41% | | | | 3.92% | 15.64% | 2.94% | -21.54% | -5.03% |
| <i>Structured Value</i> | | | | | | | | | | | | | | | | | |
| LSV | 20,041,241 | 1.8% | 1.8% | 6.22% | 0.25% | 20,597,607 | 2.0% | 1.8% | 15.66% | 17,915,385 | 1.8% | 1.8% | 3.75% | 27.46% | -2.25% | 8.84% | 3.73% |
| Russell 1000 Value | | | | 3.03% | -0.88% | | | | 14.19% | | | | 2.06% | 20.08% | -1.02% | -0.19% | 1.05% |
| <i>S&P 500 Index</i> | | | | | | | | | | | | | | | | | |
| State Street | 8,067,072 | | | 1.68% | -1.51% | 92,295,922 | | | 12.16% | 82,667,030 | 8.3% | 8.4% | 2.64% | 17.05% | 0.23% | -11.28% | -1.69% |
| Transition Account | 81,520,119 | | | N/A | N/A | N/A | | | N/A | N/A | 0.0% | 0.0% | N/A | N/A | N/A | N/A | N/A |
| Total Index | 89,587,191 | 8.2% | 8.4% | 1.68% | -1.51% | 92,295,922 | 8.8% | 8.4% | 12.16% | 82,667,030 | 8.3% | 8.4% | 2.64% | 17.05% | 0.23% | -11.28% | -1.69% |
| S&P 500 | | | | 1.69% | -1.51% | | | | 12.18% | | | | 2.64% | 17.10% | 0.25% | -11.20% | -1.62% |
| TOTAL LARGE CAP DOMESTIC EQUITY | 129,885,501 | 11.9% | 12.0% | 2.91% | -0.45% | 133,285,633 | 12.7% | 12.0% | 12.20% | 119,351,627 | 12.0% | 12.0% | 3.15% | 19.11% | -0.48% | -9.33% | -1.90% |
| S&P 500 | | | | 1.69% | -1.51% | | | | 12.18% | | | | 2.64% | 17.10% | 0.25% | -11.20% | -1.62% |
| SMALL CAP DOMESTIC EQUITY | | | | | | | | | | | | | | | | | |
| <i>Manager-of-Managers</i> | | | | | | | | | | | | | | | | | |
| SEI | 68,957,142 | 6.3% | 6.0% | 6.61% | 1.37% | 66,671,971 | 6.4% | 6.0% | 14.82% | 61,777,661 | 6.2% | 6.0% | 9.48% | 34.03% | 0.09% | N/A | N/A |
| Russell 2000 + 200bp | | | | 6.78% | 1.10% | | | | 15.07% | | | | 9.60% | 34.67% | 0.36% | N/A | N/A |
| TOTAL SMALL CAP DOMESTIC EQUITY | 68,957,142 | 6.3% | 6.0% | 6.61% | 1.37% | 66,671,971 | 6.4% | 6.0% | 14.82% | 61,777,661 | 6.2% | 6.0% | 9.48% | 34.03% | 0.09% | -3.49% | 1.64% |
| Russell 2000 | | | | 6.26% | 0.93% | | | | 14.52% | | | | 9.07% | 32.73% | -1.63% | -3.30% | 0.97% |
| CONVERTIBLES | | | | | | | | | | | | | | | | | |
| TCW | 128,547,261 | 11.8% | 12.0% | 2.50% | -0.48% | 128,286,011 | 12.3% | 12.0% | 9.98% | 117,030,576 | 11.7% | 12.0% | 1.85% | 14.82% | 10.23% | -9.51% | 3.90% |
| First Boston Convertible Index | | | | 2.57% | 0.44% | | | | 8.54% | | | | 2.67% | 14.30% | 15.46% | -3.77% | 5.29% |
| INTERNATIONAL EQUITY | | | | | | | | | | | | | | | | | |
| <i>Large Cap - Active</i> | | | | | | | | | | | | | | | | | |
| Capital Guardian | 74,277,245 | 6.8% | 6.4% | 3.50% | 0.08% | 71,723,739 | 6.9% | 6.4% | 13.03% | 65,573,539 | 6.6% | 6.4% | 8.14% | 26.51% | -10.31% | -15.85% | 0.02% |
| MSCI EAFE - 50% Hedged | | | | 4.09% | 0.33% | | | | 13.15% | | | | 6.58% | 25.53% | -11.24% | -15.51% | -5.33% |
| <i>Small Cap - Value</i> | | | | | | | | | | | | | | | | | |
| Lazard | 9,977,205 | 0.9% | 0.8% | 8.63% | 2.10% | 9,185,768 | 0.9% | 0.8% | 14.50% | 8,900,251 | 0.9% | 0.8% | 9.92% | 36.72% | N/A | N/A | N/A |
| Citigroup Broad Market Index < \$2BN | | | | 12.80% | 5.20% | | | | 13.31% | | | | 15.95% | 48.20% | N/A | N/A | N/A |
| <i>Small Cap - Growth</i> | | | | | | | | | | | | | | | | | |
| Vanguard | 9,367,411 | 0.9% | 0.8% | 10.37% | 2.31% | 9,856,522 | 0.9% | 0.8% | 14.06% | 8,634,968 | 0.9% | 0.8% | 14.95% | 44.72% | N/A | N/A | N/A |
| SSB BROAD MARKET INDEX < \$2BN | | | | 12.80% | 5.20% | | | | 13.31% | | | | 15.95% | 48.20% | N/A | N/A | N/A |
| TOTAL INTERNATIONAL EQUITY | 93,621,861 | 8.6% | 8.0% | 4.76% | 0.51% | 90,766,028 | 8.7% | 8.0% | 13.28% | 83,108,758 | 8.3% | 8.0% | 8.97% | 29.32% | -9.20% | -15.51% | 0.27% |
| MSCI EAFE - 50% Hedged | | | | 4.09% | 0.33% | | | | 13.15% | | | | 6.58% | 25.53% | -11.24% | -15.51% | -5.33% |
| DOMESTIC FIXED INCOME | | | | | | | | | | | | | | | | | |
| <i>Core Bond</i> | | | | | | | | | | | | | | | | | |
| Western Asset | 317,330,208 | 29.1% | 29.5% | 2.96% | 0.81% | 301,215,227 | 28.8% | 29.5% | 1.62% | 293,880,379 | 29.4% | 29.5% | -0.16% | 4.45% | 12.77% | 11.23% | 8.12% |
| Lehman Aggregate | | | | 2.66% | 0.75% | | | | 0.32% | | | | -0.14% | 2.83% | 10.39% | 10.07% | 7.54% |
| <i>Index</i> | | | | | | | | | | | | | | | | | |
| Bank of ND | 174,612,451 | 16.0% | 16.6% | 3.01% | 0.95% | 161,411,958 | 15.4% | 16.6% | 0.07% | 160,764,147 | 16.1% | 16.4% | -0.46% | 2.61% | 13.26% | 10.87% | 7.78% |
| Bank of ND CD'S | 11,815,243 | 1.1% | 1.1% | 0.73% | 0.23% | 11,712,991 | 1.1% | 1.1% | 0.86% | 12,617,743 | 1.3% | 1.3% | 0.88% | 2.49% | 3.54% | 4.85% | 5.09% |
| Total Index | 186,427,694 | 17.1% | 17.7% | 2.86% | 0.90% | 173,124,949 | 16.5% | 17.7% | 0.12% | 173,381,889 | 17.4% | 17.7% | -0.37% | 2.61% | 12.66% | 10.35% | 7.51% |
| Lehman Gov/Credit | | | | 3.08% | 0.92% | | | | -0.03% | | | | -0.50% | 2.54% | 13.14% | 10.82% | 7.83% |
| <i>BBB Average Quality</i> | | | | | | | | | | | | | | | | | |
| Strong | 128,677,396 | 11.8% | 11.8% | 3.30% | 1.02% | 124,683,310 | 11.9% | 11.8% | 1.46% | 123,196,541 | 12.3% | 11.8% | 0.02% | 4.82% | 17.91% | N/A | N/A |
| Lehman US Credit BAA | | | | 3.41% | 0.97% | | | | 1.22% | | | | 0.27% | 4.96% | 18.33% | N/A | N/A |
| TOTAL DOMESTIC FIXED INCOME | 632,435,298 | 57.9% | 59.0% | 3.00% | 0.88% | 599,023,486 | 57.2% | 59.0% | 1.15% | 590,458,808 | 59.1% | 59.0% | -0.18% | 3.99% | 13.76% | 11.00% | 7.93% |
| Lehman Gov/Credit | | | | 3.08% | 0.92% | | | | -0.03% | | | | -0.50% | 2.54% | 13.14% | 10.82% | 7.83% |
| CASH EQUIVALENTS | | | | | | | | | | | | | | | | | |
| Bank of ND | 38,500,490 | 3.5% | 3.0% | 0.29% | 0.10% | 28,729,009 | 2.7% | 3.0% | 0.29% | 26,992,705 | 2.7% | 3.0% | 0.30% | 0.88% | 1.57% | 3.26% | 4.15% |
| 90 Day T-Bill | | | | 0.24% | 0.08% | | | | 0.26% | | | | 0.25% | 0.74% | 1.52% | 3.33% | 4.08% |
| TOTAL WORKFORCE SAFETY & INS | 1,091,947,553 | 100.0% | 100.0% | 3.12% | 0.42% | 1,046,762,137 | 100.0% | 100.0% | 5.31% | 998,720,135 | 100.0% | 100.0% | 1.77% | 10.52% | 8.96% | 2.79% | 5.54% |
| POLICY TARGET BENCHMARK | | | | 3.04% | 0.50% | | | | 4.32% | | | | 1.46% | 9.07% | 8.88% | 3.42% | 5.41% |

NOTE: Monthly returns and market values are preliminary and subject to change.